The Social Security Act

A substantive part of the federal government's role in human services is support through the Social Security Act and federal block grants.

The Social Security Act was started in the 1930s during the Great Depression. It is the foundation for the federal human services involvement. There are major provisions, or "Titles," of the Act.

Title II: Old age, survivors and disability insurance.

Title IV: Grants to states for aid and services to needy families with children and for child welfare services. Essentially, Title IV outlines the Aid to Families with Dependent Children program (AFDC). In 1996, Congress passed the Temporary Assistance for Needy Families (TANF) Block Grant of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("the Act"). The block grant took effect July 1, 1997. TANF made many changes affecting a range of federal programs, including the Food Stamp Program, other nutrition programs, the Supplemental Security Income (SSI) Program, child support enforcement, and child care. In order to receive the TANF block grant, a state must submit a state plan that the Secretary of Health and Human Services (HHS) finds in compliance with federal law. While counties do not fund these programs, reduction in funding or eligibility can affect counties, as the lack of TANF dollars may increase the number of people seeking county general assistance.

Title XVI: Supplemental security income for the blind, aged and disabled (SSI). This program makes cash payments to disabled persons. Benefit levels and SSI is important to counties as these standards are used in Iowa to determine eligibility for other programs. In addition, SSI helps pay the cost of housing for disabled persons. The federal government in the mid-1980s initiated the SSI Interim Reimbursement program. The program provides reimbursement for county expenditures made to individuals through general assistance, veteran's affairs, or other county-funded programs if the individual is eventually determined eligible for SSI. Most counties either delegate the responsibility to a county employee or contract with Legal Services Corporation of Iowa to handle the application and appeals process of those seeking SSI.

Title XVIII: (Medicare): This program provides health insurance for aged, blind and disabled persons. Eligibility and benefits are determined and paid by the federal government. Federal decisions regarding Medicare eligibility and benefits impact counties. When eligibility is restricted or benefits are too low, more people will seek county help.

Title XIX: Medical Assistance Programs (Medicaid). This is a federal-state program providing medical services to eligible persons. The state and federal governments share the cost of Title XIX. Title XIX is used to pay the cost of health care services for individuals of low income who are aged, blind or disabled, or members of families with dependent children. The Consolidated Omnibus Reconciliation Act of 1986 (COBRA) affects Medicaid as the mentally ill, mentally retarded, and developmentally disabled cannot stay in Intermediate Care Facilities (ICFs or nursing homes) unless they receive "active treatment" of their disability and are of an appropriate age to stay in an ICF. These individuals are frequently moved to ICF/MR or other living arrangements where the counties are required to pay.

Services funded by Title XIX include those provided by private physicians, nursing facilities, hospitals, public health nurses, community mental health centers, and some rehabilitation or in-home services. Products covered under the Iowa Medicaid plan include prescription drugs, prosthetic devices, eyeglasses and other durable medical goods.

In Iowa, Title XIX is used to pay for services to the mentally ill and mentally retarded at ICF/MRs, including the Glenwood and Woodward State Hospital Schools and community-based ICF/MRs and the Home and Community Based Waiver for persons with Mental Retardation (HCBS/MR). Counties pay the non-federal share of Title XIX for all ICF/MR and HCBS/MR Waiver services for person 18 years and older. The state pays the non-federal share for children under age 18 and state cases, those persons with no county legal settlement.

Under Medicaid, services fall into several different categories. A large portion of the federal mandated services pertains to health care coverage, including visits to physicians and hospitalization. These entitlement services must be included by all states in their Medicaid plans. In addition there are programs that states include under Medicaid that are identified as optional services. Even though they may be considered essential to health care coverage, items or services that are optional include: drugs, outpatient mental health, ICF/MR, specialist care such as podiatry or optometry services, adult rehabilitation services.

In 2001, ARO for adults with chronic mental illness was added to the state Medicaid plan. Counties are required to pay for 100% of the non-federal share. The services available include community support services and day program services.

Iowa has also chosen to develop several Home and Community Base Waivers services for special populations, including persons with mental retardation, brain-injury, physical disability, ill and handicapped, and elderly. In these services the federal government waives the normal Medicaid requirements and allows the state to design a program

that is: 1) normally targeted to a specific population or geographic area; 2) limited to the number of persons that can be involved each year; 3) time limited; and 4) cost-effective to the Medicaid program.

Social Services Block Grant

The federal Social Services Block Grant (SSBG) funds are allocated to a number of adult and children's services, including a significant appropriation for the local purchase of adult mental health and mental retardation services. The services that have traditionally been funded under SSBG are:

- Direct Service. These are social services provided by DHS employees. Services provided under the direct service portion of SSBG include adoption services, child protective services, community support services, dependent adult protection, family-centered services, juvenile court-related services, client assessment and case management.
- State Purchase. This portion of the SSBG is appropriated by the Legislature to DHS for purchasing services from other providers, most often private nonprofit agencies. Some of the services DHS buys with state purchase money include foster care, residential treatment, family planning, foster care group home services and administrative support.
- Local Purchase. Local purchases of services require that counties expend these funds according to the county management plan approved by the Director of the DHS.

Mental Health/Mental Retardation/Developmental Disabilities Statutory Responsibility

Persons with Mental Retardation: "Persons with mental retardation" means persons who meet the following three conditions:

- Significantly sub-average intellectual functioning: an intelligence quotient (IQ) of approximately 70 or below on an individually administered IQ test (for infants, a clinical judgment of significantly sub-average intellectual functioning) as defined by the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, American Psychiatric Association.
- Concurrent deficits or impairments in present adaptive functioning (i.e., the person's effectiveness in meeting the standards expected for the person's age by the person's cultural group) in at least two of the following areas: communication, self-care, home living, social and interpersonal skills, use of community resources, self-direction, functional academic skills, work, leisure, health and safety.
- The onset is before the age of 18. The county must pay for the "treatment, training, instruction, care habilitation, support, and transportation of persons with mental retardation, as provided for in the county management plan provisions implemented pursuant to Iowa Code §331.439(1), in a state hospital school, or in a special unit, or any public or private facility approved by the director of the Department of Human Services." (Iowa Code §222.60)

Persons with Mental Illness: The county must pay for the cost of hospitalization in a state mental health institute and the "necessary and legal" costs and expenses for "taking into custody, care, investigation, admission, commitment, and support" of mentally ill persons in the mental health institutes (Iowa Code §§220.42, 230.1). The county responsible for the cost of a patient at a mental health institute is required to remove the patient to a county care facility if instructed to do so by the institute and a county without a county care facility may pay for the care in any "convenient and proper" county or private institution (Iowa Code §§227.11, 227.14). Certain provisions of the Iowa Code refer to persons with chronic mental illness. "Persons with chronic mental illness" means persons 18 and over, with a persistent mental or emotional disorder that seriously impairs their functioning relative to such primary aspects of daily living as personal relations, living arrangements or employment.

Persons with chronic mental illness typically meet at least one of the following criteria:

- Have undergone psychiatric treatment more intensive than outpatient care more than once in a lifetime (e.g., emergency services, alternative home care, partial hospitalization or inpatient hospitalization).
- Have experienced at least one episode of continuous, structured support residential care other than hospitalization.

In addition, these persons typically meet at least two of the following criteria, on a continuing or intermittent basis for at least two years:

- Are unemployed, employed in a sheltered setting or have markedly limited skills and a poor work history.
- Require financial assistance for out-of-hospital maintenance and may be unable to procure this assistance without help.
- Show severe inability to establish or maintain a personal social support system.
- Require help in basic living skills.
- Exhibit inappropriate social behavior which results in demand for intervention by the mental health or judicial system. In atypical instances, a person may vary from the above criteria and could still be considered to be a person with chronic mental illness (441 IAC Chapter 22).

Persons with Developmental Disabilities: "Persons with a developmental disability" means a person with a severe, chronic disability which:

- Is attributable to mental or physical impairment or a combination of mental and physical impairments.

- Is manifested before the person attains the age of 22.
- Is likely to continue indefinitely.
- Results in substantial functional limitations in three or more of the following areas of life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency.
- Reflects the person's need for a combination and sequence of services which are of lifelong or extended duration. There is no requirement for either the state or county to pay for services for persons with developmental disabilities other than mental retardation.

Iowa Code §331.424, specifies that the board of supervisors may pay for services to the extent they deem it advisable to pay for evaluation, treatment, habilitation and care of persons who are mentally retarded, autistic, or persons who are afflicted by any other developmental disability, at a suitable public or private facility providing inpatient or outpatient care; may pay for the care and treatment of persons placed in a county hospital, county care facility, health care facility, or any other public or private facility in lieu of admission to a state institution, or upon discharge, removal, or transfer from a state institution.

Persons with Brain Injury: "Persons with a Brain Injury" means a person with clinically evident brain damage or spinal cord injury resulting from trauma or anoxia which temporarily or permanently impairs the individual's physical or cognitive functions. The county is not required to fund services for persons with a brain injury.

County Management Plan: Beginning in the 1994 legislative session, a number of laws were enacted whose purpose was to significantly increase state funding of MH/MR/DD/BI services and provide the parameters under which the counties must manage the system. The primary purposes of this legislation was to provide property tax relief, and to improve the county's management of the system through requiring counties to hire qualified staff, develop a system of accountability and control by funders, improve the planning process by increasing stakeholder involvement, and to improve the coordination of services and assure the appropriateness of services that are authorized for public funding. The legislation created a State County Management Committee to further a partnership between the state and the county in the development and management of the system.

In 2002, the Legislature merged the State County Management Committee and the MH/DD Commission and expanded the duties of the newly recreated MH/DD Commission to include many of those of the State County Management Committee. Counties are required to submit a county management plan for approval by the director of the DHS, following review by the MH/DD Commission. The plans must identify how the county plans to implement the following elements: 1) planning, 2) identifying a provider network and contracting for services, 3) determination of eligibility, 4) funding authorization, 5) service monitoring and coordination, 6) service and cost tracking and evaluation, and 7) quality assurance. Each county is required to establish a central point of coordination (CPC) process, and employ a qualified CPC administrator.

Mental Health and Mental Retardation Funding Streams

County Funds: The county property tax has been the major funding source for services to adults with MH/MR/DD/BI. Services to these persons, along with other human service expenditures, constitute anywhere from 1/4 to 1/2 of county budgets. Beginning with legislation passed in 1994, the state began a process to fund a larger amount from state funds, including 50% of the base and all of the growth in the system. Beginning in FY96/97, the county levy for MH/MR/DD/BI services was "fixed" at either the FY93/94 of FY95/96 level of expenditure, minus the amount of property tax relief dollars the county receives. Beginning in FY96/97, the Legislature created the county mental health, mental retardation, and developmental disabilities services fund. All revenues from property taxes, state and federal government funds, state payments, property tax relief funds and other sources designated for MH/MR/DD/BI services are to be credited to this fund. All expenditures for MH/MR/DD/BI services must be paid from this fund. Some of the mandated services that must be paid from this fund are reimbursement to the state for 80% of the capped per diem for care provided to adults in state mental health institutes, and all of the non-federal share of the capped per diem for services provided in the Medicaid funded state hospital schools, community facilities licensed as ICF/MR, and the home and community based waiver program for persons with mental retardation.

State Funds: *Mental Health Developmental Disabilities Community Services Fund*: In the past the fund was distributed to counties on a two-part formula: 50% based on the proportion of the poverty population and 50% based on the percentage of the total state general population. This fund could be spent on MH/MR/DD/BI services, but no more than 50% could be spent on any one of the population groups. At least 50% of the funds had been spent on "contemporary" services that included: case management, supported employment, community based housing, ICF/MRs of 10 beds or less, individual support services, and day programming. In 2000, the Legislature used the Community Services Fund to supplement cuts in allowable growth. The distribution was based on a methodology that included what the county was levying and what their fund balance was.

Property Tax Relief Payments: This payment began in FY95/96 to reduce the county levies for MH/MR/DD/BI services. The funds are distributed to counties by a three part formula: 1) the county's share of the population; 2) the county's share of the state's total taxable property valuation; and 3) the county's share of the base year MH/MR/DD/BI expenditures (counties had the option of choosing either FY94 or FY96 as their base year). The county is required to reduce the MH/MR/DD/BI levy by the amount received in state property tax relief payments.

County MH/MR/DD/BI Allowed Growth Factor Adjustment: The purpose of this fund is to provide state funding to counties to increase the pool of funds available for providing services to persons with disabilities. Counties must have an approved county management plan in order to be eligible to receive these funds. Beginning in FY00, the fund was allocated into three separate pools: 1) allowable growth, 2) per capita expenditure target pool, and 3) county risk pool. The growth and per capita expenditure funds are allocated to counties using formula methodologies.

Risk Pool Funds: The purpose of the mental health risk pool is to assist counties whose expenditures in the MH/MR/DD/BI service fund exceed budgeted costs due to unanticipated expenses for new individuals or other unexpected factors. The mental health risk pool is not intended for multiyear usage or as a source of planned revenue. County eligibility is based in part on whether the county has levied their max and has no more than a 25% balance in their reserves. But for the last two years the state has "scooped" the unused risk pool dollars, redirecting them to other areas of the budget deemed more critical.

Other Funds: Other state funds include the Family Support Subsidy, Special Needs Grants, MH/MR/DD/BI State Cases and State Supplementary Assistance (SSA). SSA is primarily available to persons residing in residential care facilities.

Federal Funds: *Supplemental Security Income (SSI):* Most disabled persons, because of their disability, are eligible for the federal entitlement program serving aged, blind or disabled persons. SSI eligibility automatically entitles the client to Medicaid (Title XIX), which covers medical expenses. In addition, the state's Medicaid plan has been amended to fund some special services for the MR/DD/CMI population groups.

Medicaid (Title XIX): In addition to the regular medical and Iowa Plan benefits, the Medicaid program funds several special programs for the MH/MR/DD/BI populations. These services include: 1) ICF/MR; 2) Home and Community Based Waiver, which allows the state to redirect Medicaid funding from institutional setting to support a flexible array of community services on behalf of persons who are elderly or disabled; 3) Enhanced Services; and 4) ARO for persons with chronic mental illness.

Medicaid Enhanced Services: An enhanced service is used to identify three services that were added by DHS to the Medicaid Plan in 1988. These services require counties to pay 50% of the non-federal share when services are provided to persons with mental retardation, a developmental disability or chronic mental illness. In addition to these services, the state requires counties to pay 100% of the non-federal share for ICF/MR services and the home and community-based waiver for persons who would otherwise be in an ICF/MR. The candidate services are:

- Case management for persons with mental retardation, developmental disabilities and chronic mental illness
- Partial hospitalization
- Day treatment

Medicaid Managed Care (The Iowa Plan): Beginning in 1993, DHS contracted with a managed care company to manage the mental health services funded by Medicaid. All Medicaid enrollees except those who qualified under the Medically Needy program with a spend-down and persons over the age of 65 were covered by this contract, which is called the Iowa Plan. Services for Iowa Plan eligible consumers must be pre-authorized by the managed care company (MBC of Iowa) before payment will be approved. In 1998, DHS expanded the program and contracted again with MBC of Iowa to manage the program.

Medicaid (Targeted) Case Management For Persons With Mental Retardation, Developmental Disabilities or Chronic Mental Illness

Case Management is a process of assessing service needs. "Individual case management services" refers to activities provided to ensure that the client has received a comprehensive evaluation and diagnosis, to give assistance to the client in obtaining appropriate services and living arrangements, to coordinate the delivery of services and to provide monitoring to ensure the continued appropriate provision of services and the appropriateness of the living arrangement. Case management is a critical component in the management of the mental health system.

DHS Field Services/Service Area Advisory Boards

DHS maintains an office in each county, though they are not all staffed on a full-time basis. DHS determines in which community the office will be located. The board of supervisors shall determine the location of the office space for DHS in that community. The board of supervisors is mandated to "make reasonable efforts" to attempt to co-locate the DHS office with other state, local or private sector offices "in order to maintain the offices in a cost-effective location that is convenient to the public," (Iowa Code §217.43).

DHS must use the case-weight system to assure service provision. The county is to be contacted by DHS prior to modification of office hours. The county may subsidize with staff or funding positions in the county office. The 28E shall cover the entire fiscal year and can only be amended by mutual consent.

DHS divides the state up into eight services areas. DHS is mandated to establish a service area advisory board in each service area. The purpose of the advisory board is to improve communication and coordination between DHS and the counties. Each county board of supervisors in the service area appoints two members. In making the appointment, the county has to take into account gender and political affiliation. Only one of the two appointees can be a county supervisor.

Substance Abuse

Iowa Code chapter 125 governs the provision of substance abuse services. Counties are responsible for paying 25% of the cost of substance abuse treatment at state mental health institutes. The state pays 100% of the cost of substance abuse treatment at community-based facilities. Because detoxification is not considered part of treatment, counties most often pay all detoxification costs.

In cases of substance abuse commitments, counties pay 100% of the costs of court-appointed attorneys for indigent persons and the cost of a physician's examination of an indigent person being committed.

Dual Diagnosis Program

Legislation passed in 1998 expanded the dual diagnosis unit serving persons with co-existing conditions of mental illness and substance abuse at the Mt. Pleasant Mental Health Institute. Counties are required to pay 50% of the actual per diem, but are allowed some flexibility to fund from the county MH/MR/DD/BI Services Fund or the general fund.